SEALED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

INDICTMENT FOR CONSPIRACY TO COMMIT HEALTH CARE FRAUD, HEALTH CARE FRAUD, CONSPIRACY TO PAY HEALTH CARE KICKBACKS, CONSPIRACY TO FALSIFY RECORDS IN A FEDERAL INVESTIGATION, AND FORFEITURE

UNITED STATES OF AMERICA		**CRIMINAL DOCKET NO.**
	*	
VERSUS		**SECTION:**
	*	
GEOFFREY RICKETTS		**VIOLATIONS:**
MARLA RICKETTS	*	**18 U.S.C. § 1349**
SUNYUP KIM		**18 U.S.C. § 371**
SAMUEL KIM	*	**18 U.S.C. § 1347**
		18 U.S.C. § 2
	*	**18 U.S.C. § 982(a)(7)**

* * *

The Grand Jury Charges that:

COUNT ONE
Conspiracy to Commit Health Care Fraud (18 U.S.C. § 1349)

A. AT ALL TIMES MATERIAL HEREIN:

The Medicare Program

1. The Medicare program (Medicare) was a federal health care program providing benefits to persons who were over the age of 65 or disabled. Medicare was administered by the

United States Department of Health and Human Services through its agency, the Centers for Medicare & Medicaid Services (CMS). Individuals who received benefits under Medicare were referred to as "beneficiaries."

2. Medicare was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

3. **Durable Medical Equipment (DME):** Medicare Part B helped pay for certain DME that was both medically necessary and ordered by a licensed medical doctor or other qualified health care provider. DME was designed to be used repeatedly for a medical purpose and included certain supplies for diabetics, such as glucose monitors, glucose test strips and glucose lancets, to help people with diabetes manage their blood sugar levels.

4. For Louisiana beneficiaries, CMS contracted with CIGNA Government Services (CIGNA) to receive, adjudicate, and pay the DME claims submitted to them by Medicare beneficiaries, physicians, or suppliers of health care items. CMS also contracted with Palmetto GBA (Palmetto) and the National Supplier Clearinghouse to manage the processing of Medicare enrollment forms for all DME suppliers. Medicare, through CIGNA, paid a substantial portion of the cost of the DME or related health care item if it was medically necessary and ordered by a licensed, qualified health care provider. Medicare only paid for DME provided to an eligible Medicare beneficiary.

5. DME suppliers, physicians, and other health care providers that sought to participate in Medicare Part B and bill Medicare for the cost of DME and related benefits, items, and services were required to apply for and receive a "supplier number." When a supplier enrolled with Medicare, the supplier agreed to abide by all rules and regulations prescribed by

the federal government. Upon approval of the application, the DME supplier was issued a supplier number that was used to submit claims for payment to Medicare for the cost of DME supplied to eligible beneficiaries. Medicare, through Palmetto and CIGNA, generally paid a substantial portion of the cost of the DME or related health care benefit, item, or service if it was medically necessary and ordered by a licensed, qualified health care provider.

6. **Billing Codes for Durable Medical Equipment:** DME suppliers submitted claims to Medicare using the Healthcare Common Procedure Coding System (HCPCS), a series of five-digit codes that corresponded to various types of goods and items. HCPCS code E2100 was the code for a blood glucose monitor with integrated voice synthesizer, often referred to as a talking glucose monitor. For suppliers to be reimbursed by Medicare for supplying the E2100 monitor, the beneficiary had to meet the following criteria:

a. the beneficiary had diabetes;

b. the beneficiary's physician concluded that the beneficiary (or the Medicare beneficiary's caregiver) had sufficient training using the particular device prescribed as evidenced by providing a prescription for the appropriate supplies and frequency of blood glucose testing; and

c. the treating physician certified that the beneficiary had a severe visual impairment defined as best corrected visual acuity of 20/200 or worse in both eyes that required use of this special monitoring system.

7. A Medicare beneficiary was required to meet all the above criteria in order to qualify for an E2100 monitor. Medicare would not reimburse suppliers who supplied E2100 monitors to Medicare beneficiaries who did not meet all these criteria. Instead, Medicare beneficiaries who met criteria (a) and (b) but not (c), were eligible to receive blood glucose

monitors that did not have an integrated voice synthesizer, and utilized different HCPCS codes, such as E0607, a standard home glucose monitor.

8. The Medicare reimbursement rate for the two different glucose monitors differed greatly. DME suppliers received significantly less money for providing monitors without voice synthesizers than they received for providing the E2100 device.

9. When seeking reimbursement from Medicare, a DME supplier used its assigned Medicare provider number to submit a health insurance claim form, known as a CMS-1500. The CMS-1500 required DME companies to provide

a. The beneficiary's name;

b. the beneficiary's identification number;

c. the name and identification number of the physician or other qualified health care provider who ordered the item or service that was the subject of the claim;

d. the health care item that was supplied or provided to the beneficiary;

e. the HCPCS code for the item; and

f. the date on which the item was provided.

When the claim was submitted, the DME provider certified that the contents of the form were true, correct, and complete, and that the form was prepared in compliance with the laws and regulations governing the Medicare program.

10. Payments under Medicare Part B were often made directly to the DME provider. For this to occur, the beneficiary assigned the right of payment to the DME provider or other health care provider. Once an assignment took place, the DME provider assumed the responsibility for submitting claims to, and receiving payments from, Medicare.

11. Approved claims submitted to Medicare Part B were paid at 80% of the approved amount for each claim. Unless a Medicare beneficiary held supplemental or secondary insurance, Medicare required that the beneficiary be responsible for paying the remaining 20% of the claim, known as the co-pay. Waiver of this co-pay was ordinarily not permitted under Medicare billing procedures.

12. **Prohibited Telemarketing**: Section 1834(a)(17)(B) of the Social Security Act, 42 U.S.C. § 1395m(a)(17), prohibited suppliers of DME from making unsolicited telephone calls to Medicare beneficiaries in an attempt to sell them items covered by Medicare Part B, except where:

a. the beneficiary gave written permission to the supplier to make contact by telephone;

b. the contact was regarding a covered item the supplier had already furnished the beneficiary; or

c. the supplier had furnished at least one item to the beneficiary during the preceding 15 months.

13. Section 1834(a)(17)(B) of the Social Security Act, 42 U.S.C. § 1395m(a)(17), specifically prohibited payment to a supplier who knowingly submitted a claim generated pursuant to a prohibited telephone solicitation.

14. Care Concepts, LLC (Care Concepts) was incorporated under the laws of Louisiana and did business in Metairie, Louisiana. Care Concepts was a DME provider who provided DME products nationwide.

15. Care Concepts Louisiana was also incorporated under the laws of California and did business in Chatsworth, California as Choice Home Medical Equipment and Supplies, Inc. (Choice).

16. Care Concepts supplied a variety of DME and related equipment and services to Medicare beneficiaries, including talking glucose monitors.

The Defendants

17. **GEOFFREY RICKETTS** was the owner, President and CEO of Care Concepts and Choice.

18. **MARLA RICKETTS** was the Registered Agent and a director/officer of Care Concepts.

19. **SUNYUP KIM** was the Director of Operations for Care Concepts.

20. **SAMUEL KIM** was the Chief Operating Officer of Care Concepts.

B. THE CONSPIRACY:

21. Beginning in or around January 2009, and continuing through the present, in the Eastern District of Louisiana, and elsewhere, defendants, **GEOFFREY RICKETTS, MARLA RICKETTS, SUNYUP KIM,** and **SAMUEL KIM** and others known and unknown to the Grand Jury, knowingly and willfully did combine, conspire, confederate and agree together and with each other to knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by and under the custody and control of Medicare in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

C. **PURPOSE OF THE CONSPIRACY:**

22. It was a purpose of the conspiracy for defendants **GEOFFREY RICKETTS, MARLA RICKETTS, SUNYUP KIM, SAMUEL KIM**, and their co-conspirators to unlawfully enrich themselves by, among other things,

a. submitting and causing the submission of false and fraudulent claims to Medicare, and

b. diverting and causing the diversion of the proceeds of the fraud for the personal use and benefit of the defendants and their co-conspirators.

D. **MANNER AND MEANS:**

23. The manner and means by which **GEOFFREY RICKETTS, MARLA RICKETTS, SUNYUP KIM, SAMUEL KIM**, and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among others, the following:

24. **GEOFFREY RICKETTS** maintained two valid Medicare provider numbers as owner and operator of Care Concepts and Choice. **RICKETTS** used the two Medicare numbers to submit claims for DME that was medically unnecessary and, in some cases, not provided to Medicare beneficiaries.

25. **GEOFFREY RICKETTS** and **MARLA RICKETTS** obtained and maintained signature authority for a corporate bank account of Care Concepts, Whitney Bank/Hancock Bank Account Number xxxxx498.

26. **GEOFFREY RICKETTS** and **SAMUEL KIM** obtained and maintained signature authority for a corporate bank account of Care Concepts, J.P. Morgan Chase Account Number xxxxx3769.

27. **GEOFFREY RICKETTS** obtained authorization for Medicare payments to Care Concepts to be deposited into Whitney Bank/Hancock Bank Account Number xxxxx498 and J.P. Morgan Chase Account Number xxxxx3769.

28. **GEOFFREY RICKETTS** and **SAMUEL KIM** purchased contact and Medicare billing information from various sources as "leads" for potential "sales" of glucose monitors and other DME.

29. **GEOFFREY RICKETTS, SUNYUP KIM**, and **SAMUEL KIM** instructed call center operators in California and South Carolina to call Medicare beneficiaries to obtain their protected health information (PHI), including their names, addresses and telephone numbers, social security numbers, Medicare numbers, and physicians' information so that medically unnecessary talking glucose monitors and other DME could be billed to Medicare.

30. **GEOFFREY RICKETTS, SUNYUP KIM**, and **SAMUEL KIM** paid and caused to be paid illegal kickbacks to the operators of call centers in exchange for the referral of talking glucose monitors and other DME orders for Medicare beneficiaries who the call center operators fraudulently manipulated into providing PHI.

31. **GEOFFREY RICKETTS, SUNYUP KIM**, and **SAMUEL KIM** paid and caused to be paid illegal kickbacks to call center operators for medically unnecessary items subsequently billed to Medicare on behalf of ineligible Medicare beneficiaries.

32. **GEOFFREY RICKETTS, SUNYUP KIM**, and **SAMUEL KIM** instructed Care Concepts employees and contractors to fraudulently complete order forms for the signature of Medicare beneficiaries' doctors. These falsified forms did not specify that talking glucose monitors would be ordered and, instead, usually indicated that a large display glucose monitor

was being provided. The forms were deceptively used to support fraudulent billings for upcoded talking glucose monitors and other DME for ineligible beneficiaries.

33. **GEOFFREY RICKETTS, SUNYUP KIM,** and **SAMUEL KIM** instructed Care Concepts employees and contractors to bill Medicare for talking glucose monitors and other DME even if Medicare beneficiaries did not want, need, or qualify for these items.

34. **GEOFFREY RICKETTS, MARLA RICKETTS, SUNYUP KIM,** and **SAMUEL KIM** fraudulently submitted, and caused the submission of, Medicare claims for talking glucose monitors and other medically unnecessary DME that falsely represented that the Medicare beneficiaries met Medicare's criteria for talking glucose monitors and other DME.

35. From around December 2007, through in or about March 2015, **GEOFFREY RICKETTS, MARLA RICKETTS, SAMUEL KIM,** and **SUNYUP KIM** submitted and caused the submission of more than $38.2 million in fraudulent claims for talking glucose monitors, other DME, and related accessories and Medicare paid Care Concepts more than $22.3 million.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
Conspiracy to Pay Health Care Kickbacks (18 U.S.C. § 371)

A. AT ALL TIMES MATERIAL HEREIN:

36. The allegations contained in paragraphs 1 through 20 above are re-alleged and incorporated as if fully set forth in this paragraph.

B. THE CONSPIRACY:

37. Beginning in about January 2009, and continuing through in or about March 2015, in the Eastern District of Louisiana, and elsewhere, defendants, **GEOFFREY**

RICKETTS, SUNYUP KIM, and **SAMUEL KIM** did knowingly and willfully combine, conspire, confederate and agree with each other and with others known and unknown to the Grand Jury, to:

a. knowingly and willfully solicit and receive remuneration, specifically kickbacks and bribes, directly and indirectly, overtly and covertly, in return for referring individuals for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by Medicare; and for the purchasing, leasing, ordering, and arranging for and recommending the purchasing, leasing, and ordering of any good, item, and service for which payment may be made in whole and in part by a Federal Health Care program, that is, Medicare, in violation of Title 42, United States Code, Section 1320a-7b(b)(l); and;

b. knowingly and willfully offer and pay remuneration, specifically kickbacks and bribes, directly and indirectly, overtly and covertly, in return for referring individuals for the furnishing and arranging for the furnishing of any item and service for which payment may be made in whole or in part by Medicare; and for the purchasing, leasing, ordering, and arranging for and recommending the purchasing, leasing, and ordering of any good, item, and service for which payment may be made in whole and in part by a Federal Health care program, that is,

Medicare, in violation of Title 42, United States Code, Section 1320a-7b(b)(2).

C. PURPOSE OF THE CONSPIRACY:

38. It was a purpose of the conspiracy for **GEOFFREY RICKETTS, SUNYUP KIM,** and **SAMUEL KIM** and their co-conspirators to unlawfully enrich themselves by paying and receiving illegal kickbacks and bribes in exchange for providing Medicare beneficiary information used by Care Concepts to submit fraudulent Medicare claims.

D. MANNER AND MEANS:

39. The manner and means by which **GEOFFREY RICKETTS, SUNYUP KIM,** and **SAMUEL KIM** and their co-conspirators accomplished the object and purpose of the conspiracy included, among others, the following

40. The allegations contained in paragraphs 22 through 35 above are re-alleged and incorporated as if fully set forth in this paragraph.

E. OVERT ACTS:

41. On about November 23, 2011, a call center operator from Sumter, South Carolina, sent a facsimile "Diabetic Supplies" order form to a physician for Medicare beneficiary R.W. The form indicated that a "Glucose Monitor Kit" would be ordered for R.W. The form did not, however, indicate that R.W. had any visual loss or required a talking glucose monitor. The physician returned the signed form to the call center operator on or about November 23, 2011.

42. On about November 28, 2011, a call center operator in Sumter, South Carolina, sent and caused the order form signed by the physician for R.W. to be sent to Care Concepts in

Metairie, Louisiana, for Medicare beneficiary R.W. so that a glucose monitor could be billed to Medicare.

43. On or about December 2, 2011, Care Concepts submitted a claim to Medicare for an E2100 talking glucose monitor.

44. On or about December 2, 2011, **GEOFFREY RICKETTS**, on behalf of Care Concepts, wrote a check to the manager of the call center in Sumter, South Carolina, in the amount of $2,525 in illegal kickbacks for the referral of medically unnecessary DME fraudulently billed to Medicare.

All in violation of Title 18, United States Code, Section 371.

COUNTS THREE THROUGH SEVEN
Health Care Fraud (18 U.S.C. §§ 1347 & 2)

A. AT ALL TIMES MATERIAL HEREIN:

45. The allegations set forth in paragraphs 1 through 20 and 23 through 35 above, are re-alleged and incorporated as though fully set forth herein.

B. THE HEALTH CARE FRAUD:

46. Beginning in or around January 2009, and continuing through the present, including on or about the dates listed below, within the Eastern District of Louisiana and elsewhere, the defendants listed below, together with others known and unknown to the Grand Jury, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud Medicare, a health care benefit program, as defined in Title 18, United States Code, Section 24(b), and to obtain, by means of materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of, the Medicare

program, in connection with the delivery of, and payment for, the following health care benefits, items, and services:

Count	Defendant	Beneficiary	Claim Date	HCPCS DME Codes	Claim Amount
3	**GEOFFREY RICKETTS**	J.H.	08/01/11	E2100 A4253 A4256 A4258 A4259	$840.00
4	**GEOFFREY RICKETTS**	R.W.	12/02/11	E2100 A4253 A4256 A4258 A4259	$840.00
5	**GEOFFREY RICKETTS**	P.D.	03/01/12	E2100 A4253 A4256 A4258 A4259 L1902	$1,030.00
6	**GEOFFREY RICKETTS**	B.B.	03/01/12	E2100 A4253 A4256 A4258 A4259	$840.00
7	**GEOFFREY RICKETTS**	C.S.	03/28/12	E2100 A4253 A4256 A 4258 A4259	$965.00

All in violation of Title 18, United States Code, Sections 1347 and 2.

COUNT EIGHT
Conspiracy to Falsify Records in a Federal Investigation (18 U.S.C. § 371)

A. AT ALL TIMES MATERIAL HEREIN:

47. The allegations contained in paragraphs 1 through 20, and paragraphs 41 through 44, above, are re-alleged and incorporated as if fully set forth in this paragraph.

48. Zone Program Integrity Contractors (ZPICs) are private companies contracted by CMS to investigate and conduct audits for Medicare overpayments. ZPICs also detect, investigate and gather evidence of suspected fraud and abuse to be turned over to the HHS-OIG for criminal or civil prosecution.

B. THE CONSPIRACY:

49. From in or around August 2012, and continuing through the present, in the Eastern District of Louisiana, and elsewhere, defendant **MARLA RICKETTS** did knowingly and willfully combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to knowingly alter, destroy, mutilate, conceal, cover up, falsify, and make false entries in the records, documents, and tangible objects relating to Care Concepts, with the intent to impede, obstruct and influence the investigation and proper administration of ZPIC investigations and in relation to and contemplation of any such ZPIC investigation within the jurisdiction of a department and agency of the United States, specifically, the Medicare program and its agents, in violation of Title 18, United States Code, Section 1519.

C. PURPOSE OF THE CONSPIRACY:

50. It was a purpose of the conspiracy for defendant **MARLA RICKETTS** and co-conspirators known and unknown to the Grand Jury, to create false documentation requested by the ZPICs to fraudulently misdirect the ZPICs into believing that the claims they were investigating related to medically necessary DME provided to eligible beneficiaries.

D. OVERT ACTS:

51. In furtherance of the conspiracy, and to accomplish its object and purpose, **MARLA RICKETTS** and co-conspirators known and unknown to the Grand Jury, committed

and caused to be committed, in the Eastern District of Louisiana and elsewhere, the following overt acts:

52. In or around August 2012, in response to audits by the Medicare program and its agents, **MARLA RICKETTS** instructed employees and agents of Care Concepts and Choice to alter, fabricate and make false entries in patient records, business records, and other computer media for purpose of impeding, obstructing and influencing the investigation and proper administration of the Medicare program.

All in violation of Title 18, United States Code, Section 371.

NOTICE OF HEALTH CARE FRAUD FORFEITURE

1. The allegations contained in Counts 1 through 7 are hereby realleged and incorporated by reference for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, 982(a)(7) and the procedures outlined at Title 21, United States Code, Section 853.

2. As a result of the offenses alleged in Counts 1 through 7, defendants **GEOFFREY RICKETTS, MARLA RICKETTS, SUNYUP KIM,** and **SAMUEL KIM,** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any and all property, real and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense as a result of the violations of Title 18, United States Code, Sections 371, 1347, and 1349 which are Federal Health Care offenses within the meaning of Title 18, United States Code, Section 24.

3. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence

b. has been transferred, sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 982(a)(7).

A TRUE BILL:

_____
FOREPERSON

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New Orleans, Louisiana
June 11, 2015